



# 1<sup>st</sup> Quarter of FYE Mar/2021 Earnings Review

August 13, 2020

Security Code 4849  
TSE First Section

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## 1Q Results

FYE Mar/2021

Sales	10.44bill	YoY -24%	VS Plan +4%
Operating income	1.24bill	YoY -57%	VS Plan About 10 times

- Performance
  - Sales for [en]Career Change Info and EWJ exceeded plan.
  - Operating income largely exceeded plan by reducing cost ahead of schedule.
- Hiring Demand
  - Movement toward hiring resumed gradually from June after declaration of state of emergency was lifted.

## 2Q Plan

FYE Mar/2021

Sales	9.26bill	YoY -35%
Operating income	0.74bill	YoY -77%

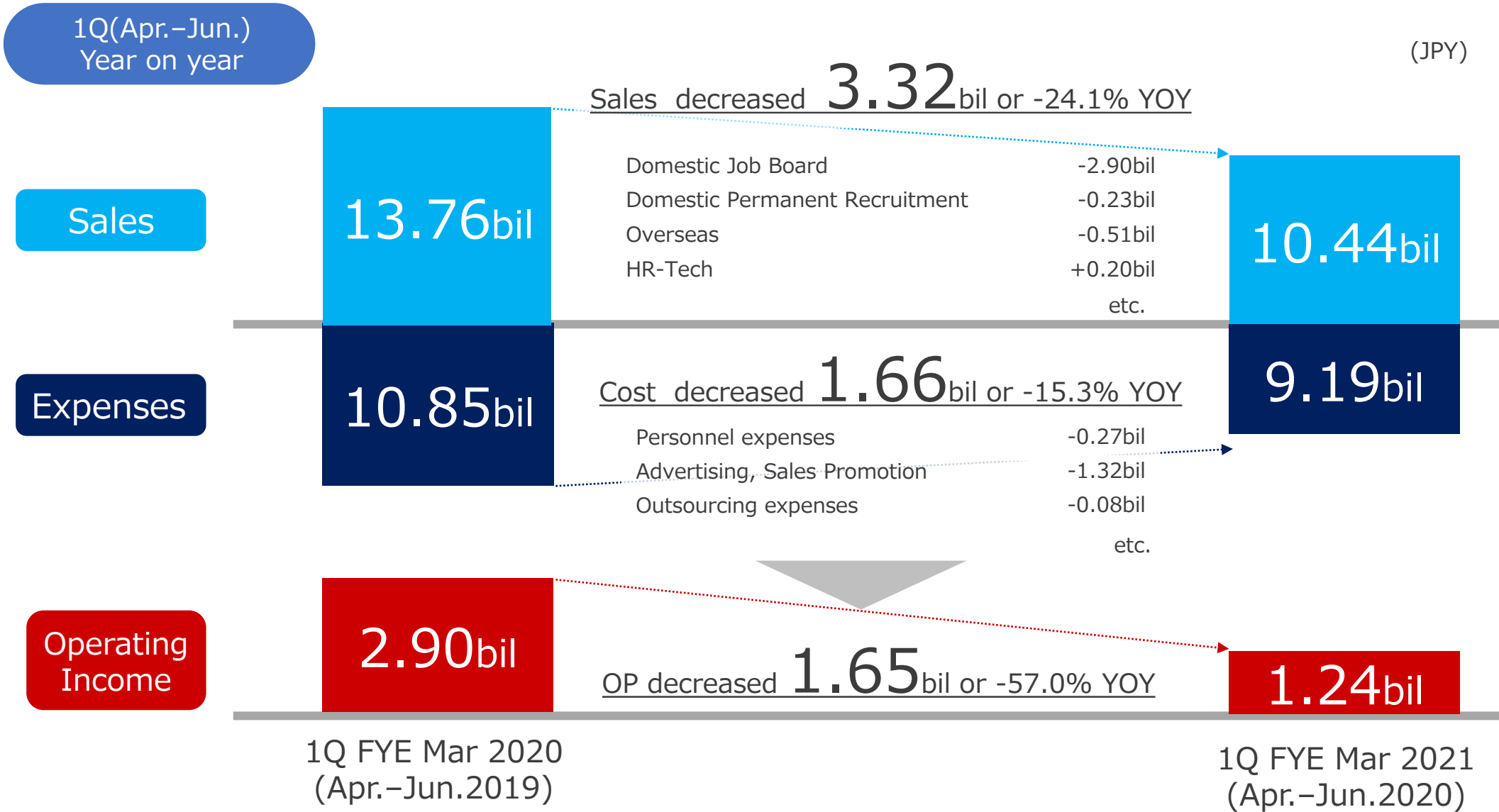
- Earnings Forecast
    - Only 2Q forecast that is currently possible to project was drawn up.
  - Forecast Assumption
    - Hiring demand of customers is assumed to recover gradually, not sharply.
    - Sales for success fee-type service are generally recorded with a delay of approx. two to four months.
    - Performance of overseas subsidiaries includes a delay of three months due to accounting processes.
- ➡ **Above difficult market conditions from April to June are reflected in 2Q sales plan.**

# Consolidated Performance Summary for 1st Quarter of FYE Mar/ 2021

	1Q FYE Mar 2020		1Q FYE Mar 2021 Plan		1Q FYE Mar 2021		YOY		VS Plan	
	(Apr.–Jun.2019)		(Apr.–Jun.2020)		(Apr.–Jun.2020)		change (million yen)	change (%)	change (million yen)	change (%)
	(million yen)	% of Sales	(million yen)	% of Sales	(million yen)	% of Sales				
Net Sales	13,763	100.0%	10,000	100.0%	10,442	100.0%	-3,321	-24.1%	442	4.4%
Cost of Sales	2,542	18.5%	2,520	25.2%	2,347	22.5%	-195	-7.7%	-173	-6.9%
Personnel	1,518	11.0%	1,542	15.4%	1,410	13.5%	-108	-7.1%	-132	-8.6%
Other	1,023	7.4%	977	9.8%	937	9.0%	-86	-8.4%	-40	-4.1%
Gross Profit	11,221	81.5%	7,480	74.8%	8,094	77.5%	-3,127	-27.9%	614	8.2%
SGA(Sales, general & administrative)	8,316	60.4%	7,365	73.6%	6,846	65.6%	-1,470	-17.7%	-519	-7.0%
Personnel	3,574	26.0%	3,499	35.0%	3,407	32.6%	-167	-4.7%	-92	-2.6%
Advertising, Sales Promotion	2,394	17.4%	1,151	11.5%	1,070	10.2%	-1,324	-55.3%	-81	-7.0%
Other	2,347	17.1%	2,715	27.2%	2,368	22.7%	21	0.9%	-347	-12.8%
Operating Income	2,904	21.1%	115	1.2%	1,248	12.0%	-1,656	-57.0%	1,133	981.7%
Ordinary Income	2,892	21.0%	143	1.4%	1,236	11.8%	-1,656	-57.3%	1,093	764.8%
Net Income attributable to en-japan	1,917	13.9%	3	0.0%	618	5.9%	-1,299	-67.8%	615	19124.5%

# Changing Factor of Earnings Year on Year

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# Changing Factor of Earnings by plans

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## 1Q By Plans

(JPY)

Sales

10.00bil

Sales increased **0.44**bil or +4.4%

Domestic Job Board +0.41bil  
Domestic Permanent Recruitment +0.05bil  
Overseas +0.02bil  
HR-Tech -0.09bil  
etc

10.44bil

Expenses

9.88bil

Cost decreased **0.69**bil or -7.0%

Personnel expenses -0.21bil  
Advertising, Sales Promotion -0.07bil  
Other expenses -0.35bil  
等

9.19bil

Operating Income

0.12bil

OP increased **1.13**bil (about 10.8 times)

1.24bil

1Q FYE Mar 2021 Plans

1Q FYE Mar 2021 Actual  
(Apr.2020–Jun.2020)

# Performance Overview by Segment<sup>\*</sup> for 1Q FYE Mar/2021

<sup>\*</sup>a management accounting basis

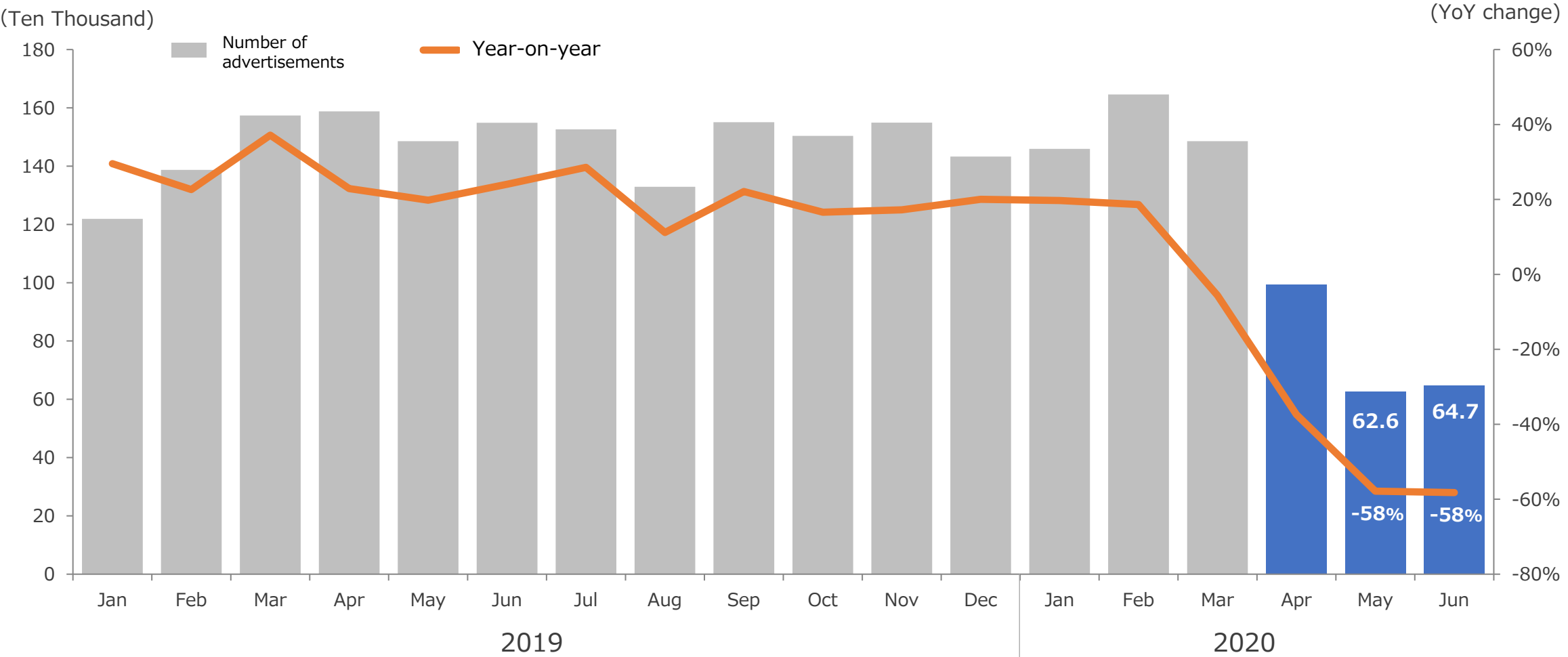


# FYE Mar/2020 Performance Overview by Segment

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(bil JPY)		1Q FYE Mar 2020 Actual (Apr.–June.2019)	1Q FYE Mar 2021 Plan (Apr.–June.2020)	1Q FYE Mar 2021 Actual (Apr.–June.2020)	YoY change      change (%)		VS Plan change      change (%)	
Domestic Job Board	Sales	7.55	4.23	4.64	-2.91	-38.5%	0.41	9.7%
	Operating Income	2.84	0.59	1.22	-1.63	-57.2%	0.63	105.7%
	OP margin	37.7%	14.0%	26.2%		-		-
Domestic Permanent Recruitment	Sales	3.05	2.76	2.81	-0.24	-7.8%	0.05	2.0%
	Operating Income	0.37	0.06	0.45	0.08	21.1%	0.39	714.5%
	OP margin	12.1%	2.0%	15.9%		-		-
Overseas	Sales	2.73	2.18	2.21	-0.52	-19.1%	0.03	1.2%
	Operating Income	0.29	0.13	0.13	-0.16	-55.1%	0.00	-1.5%
	OP margin	10.4%	6.0%	5.8%		-		-
HR-Tech	Sales	0.04	0.34	0.25	0.20	472.1%	-0.10	-28.5%
	Operating Income	-0.39	-0.31	-0.30	0.10	-24.9%	0.02	-
	OP margin	-914.0%	-90.7%	-119.9%		-		-
Other	Sales	0.51	0.61	0.66	0.14	27.8%	0.05	7.9%
	Operating Income	0.01	-0.16	-0.04	-0.05	-555.6%	0.12	-
	OP margin	1.8%	-26.8%	-6.2%		-		-
adjustment	Sales	-0.12	-0.12	-0.13	-0.01	4.2%	-0.01	-
	Operating Income	-0.21	-0.18	-0.21	0.00	-0.5%	-0.03	-
consolidated	Sales	13.76	10.00	10.44	-3.32	-24.1%	0.44	4.4%
	Operating Income	2.90	0.12	1.24	-1.66	-57.2%	1.12	974.8%
	OP margin	21.1%	1.2%	11.9%		-		-

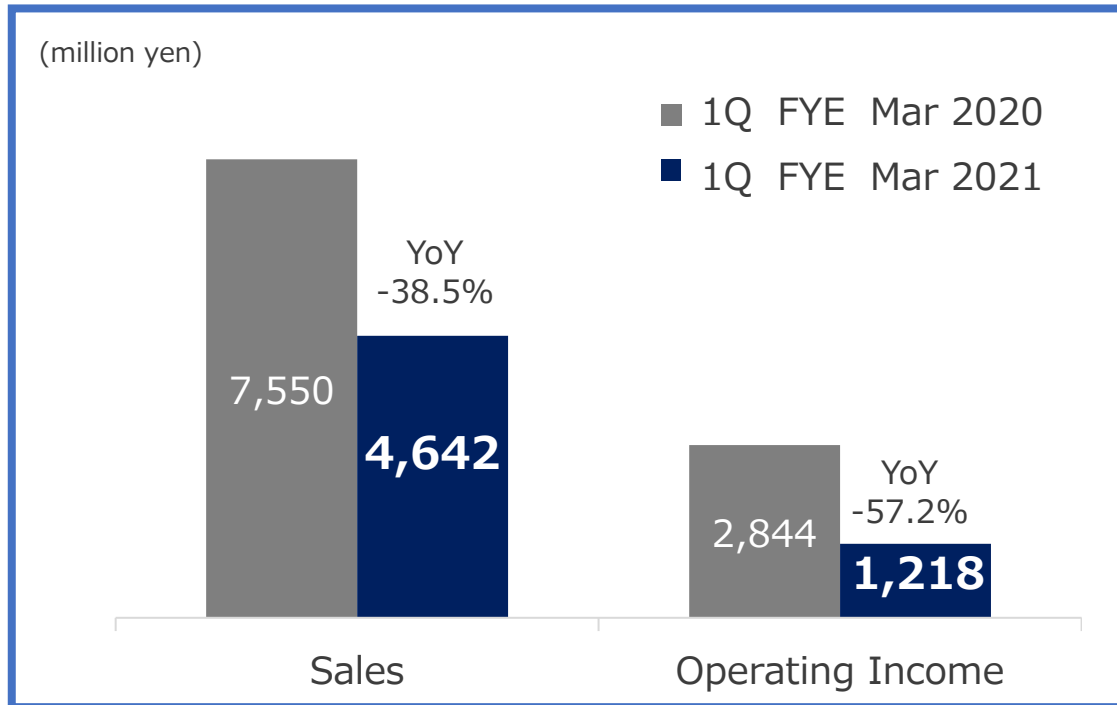
Number of domestic recruitment advertisements bottomed out in May and has been slowly recovering since June.



# 1Q FYE Mar/2021 Performance Overview by Segment

## ① Domestic Job Board

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### 1Q FYE Mar 2021

[en]Career Change Info	- Although greatly affected by the decline in hiring needs, a recovery trend was seen from June after bottoming out in May, less affected than market's decline rate. Campaign for SME customers was strengthened by extending the period.
Sites for Permanent Recruitment agencies	- Adopting the success fee-type model, sales slightly increased in 1Q with little impact of COVID-19. Large impact is expected in 2Q.
Sites for Temporary staffing companies	- Hiring needs of clients (temporary staffing companies) significantly declined. As priority is given to employing existing temporary staff under the present situation, hiring needs for new staff will require some time to recover.
Cost and profit	- Profit exceeded plan. Sales increased and efforts were made to reduce general costs.

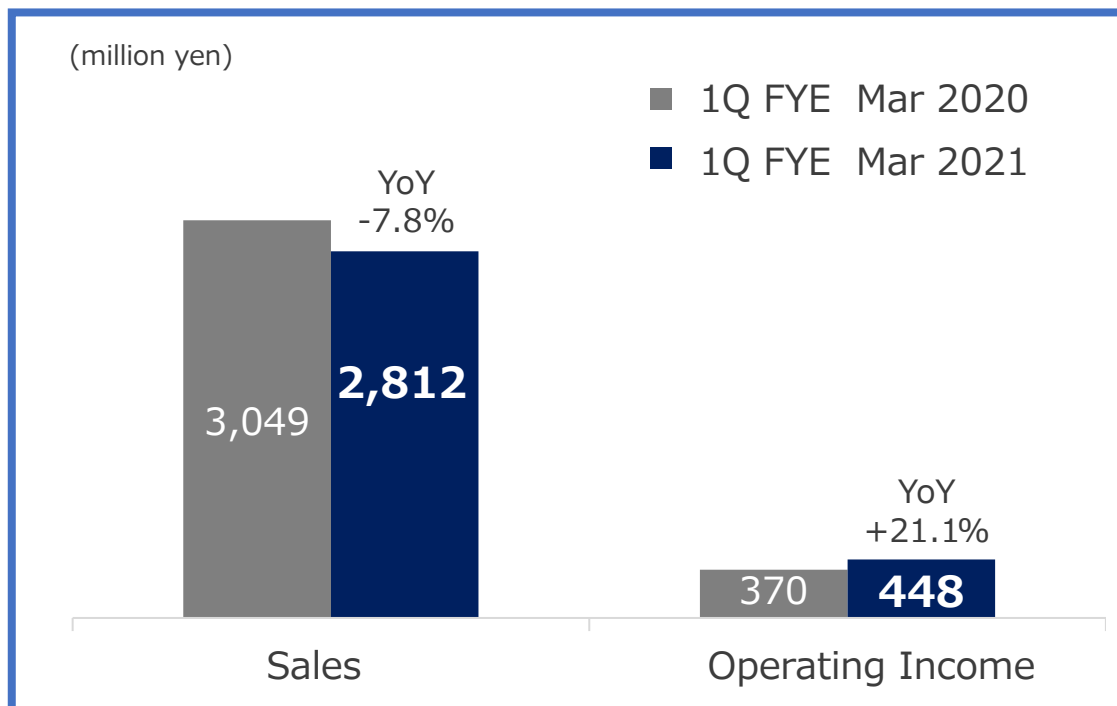
Domestic Job Board⇒[en]Career Change Info, [en]Career Change Consultant, AMBI, [en]Temporary Placement Info, en BAITO, etc.

	1Q FYE Mar 2020		1Q FYE Mar 2021(Plan)		1Q FYE Mar 2021		YOY		VS Plan	
	(Apr.-Jun.2019)		(Apr.-Jun.2020)		(Apr.-Jun.2020)		change		change	
	(million yen)	% of Sales	(million yen)	% of Sales	(million yen)	% of Sales	(million yen)	(%)	(million yen)	(%)
Sales	7,550		4,231		4,642		-2,908	-38.5%	411	9.7%
Operating Income	2,844	37.7%	592	14.0%	1,218	26.2%	-1,626	-57.2%	626	105.7%

# 1Q FYE Mar/2021 Performance Overview by Segment

## ② Domestic Permanent Recruitment

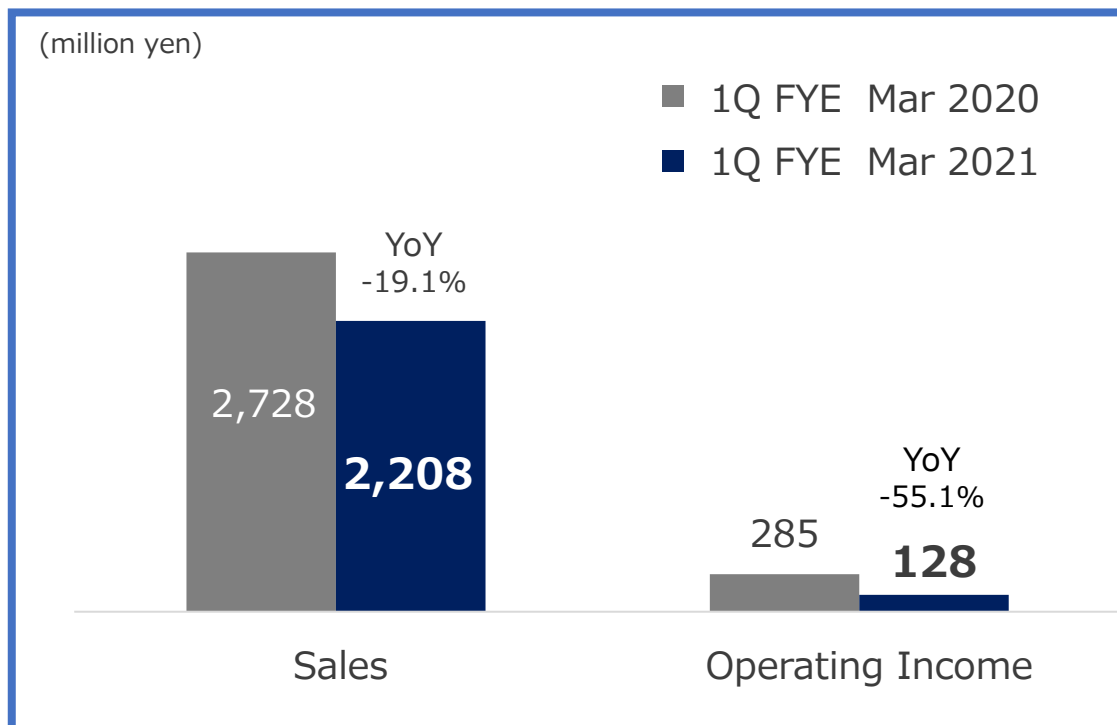
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1Q FYE Mar 2021	
en Agent (EA)	<ul style="list-style-type: none"> <li>With some exceptions, hiring needs significantly declined industry-wide. A further approach was taken toward companies with individual demand. Immediate efforts were made for online negotiations and candidate interviews and they will be continued.</li> <li>Demand saw a gradual recovery trend from June.</li> </ul>
en world Japan (EWJ)	<ul style="list-style-type: none"> <li>Although greatly affected by the decline in hiring needs, as target is high-class customers, performance is relatively stable.</li> <li>1Q exceeded plan due to temporary staffing of specialists.</li> </ul>
Cost and profit	<ul style="list-style-type: none"> <li>Cost was reduced ahead of schedule, and profit largely exceeded the plan. Full-scale impact of COVID-19 is expected in 2Q performance due to the success fee-type feature.</li> </ul>

Domestic Permanent Recruitment ⇒ en world Japan、en Agent, etc.

	1Q FYE Mar 2020		1Q FYE Mar 2021(Plan)		1Q FYE Mar 2021		YOY		VS Plan	
	(Apr.-Jun.2019)		(Apr.-Jun.2020)		(Apr.-Jun.2020)		change		change	
	(million yen)	% of Sales	(million yen)	% of Sales	(million yen)	% of Sales	(million yen)	(%)	(million yen)	(%)
Sales	3,049		2,758		2,812		-237	-7.8%	54	2.0%
Operating Income	370	12.1%	55	2.0%	448	15.9%	78	21.1%	393	714.5%



1Q FYE Mar 2021	
Overall summary	<ul style="list-style-type: none"> <li>Performance of overseas subsidiaries includes a delay of three months due to accounting processes. 1Q reflects performance from January to March during which sales of subsidiary in China declined significantly. Full-scale impact of COVID-19 is expected in 2Q.</li> </ul>
Vietnam	<ul style="list-style-type: none"> <li>Following the lockdown enforced in late March, economic activities resumed at an early stage. But recovery of hiring needs is slow. Achieving the target 2Q performance (April-June performance) is assumed to be difficult as the core service is Job Board.</li> </ul>
India	<ul style="list-style-type: none"> <li>Since the core service is IT temporary staffing with a contracted period, decrease in sales due to COVID-19 was limited. Prolonged impact from COVID-19 will raise concerns about deterioration in demand.</li> </ul>

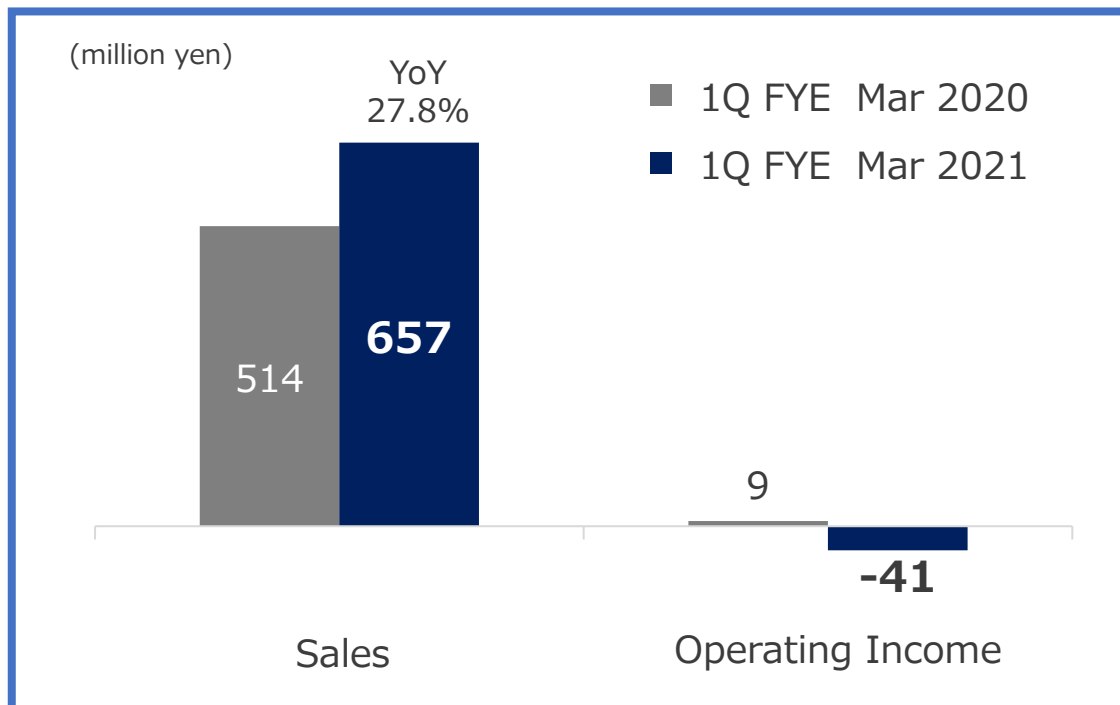
Overseas ⇒ Vietnam, India, China, Thailand  
(Job Board, Permanent Recruitment, IT temp)

	1Q FYE Mar 2020		1Q FYE Mar 2021(Plan)		1Q FYE Mar 2021		YOY		VS Plan	
	(Apr.-Jun.2019)		(Apr.-Jun.2020)		(Apr.-Jun.2020)		change		change	
	(million yen)	% of Sales	(million yen)	% of Sales	(million yen)	% of Sales	(million yen)	(%)	(million yen)	(%)
Sales	2,728		2,182		2,208		-520	-19.1%	26	1.2%
Operating Income	285	10.4%	130	6.0%	128	5.8%	-157	-55.1%	-2	-1.5%

# 1Q FYE Mar/2021 Performance Overview by Segment

## ④ Domestic Other Business / Subsidiary

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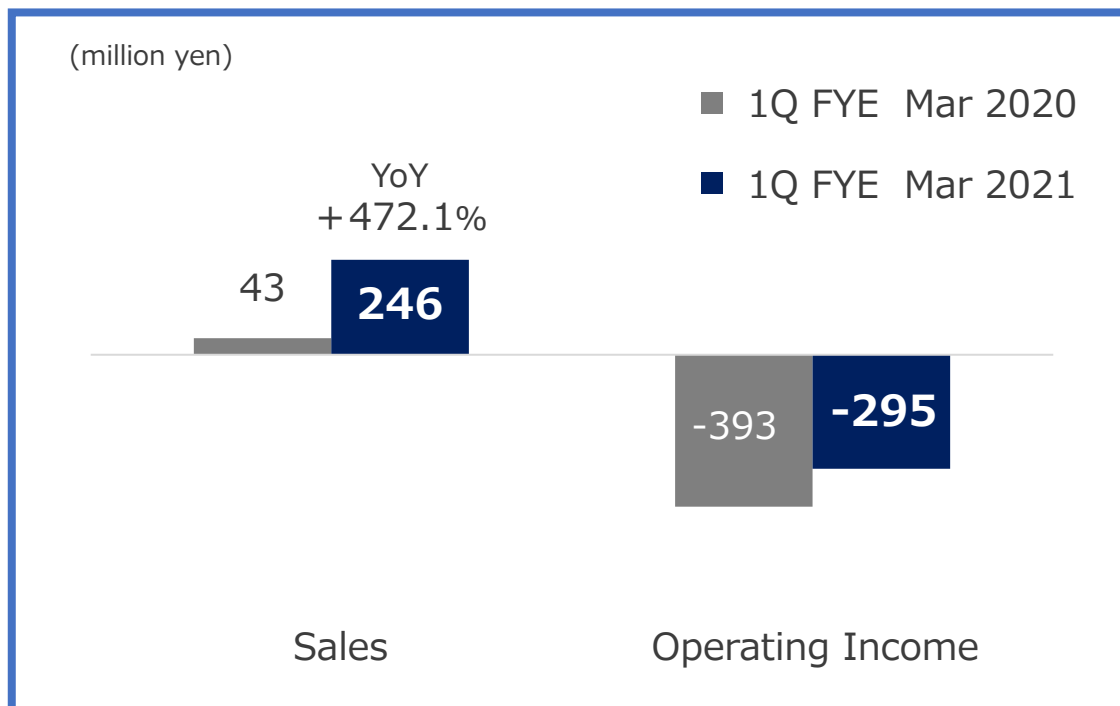


1Q FYE Mar 2021	
Overall summary	<ul style="list-style-type: none"> <li>Sales increased due to ZEKU operating under a subscription model and the new graduate-related business. Performance of the newly consolidated Brocante Inc. is reflected in the P/L.</li> </ul>
Cost and profit	<ul style="list-style-type: none"> <li>Although sales increased, profit decreased due to upfront cost arising from strengthening investment in new business development.</li> <li>Degree of deficit reduction exceeded plan due to sales increase and cost reduction.</li> </ul>

Domestic Other Business / Subsidiary

⇒ Education / Evaluation, ZEKU, AULS, Brocante, Other New Business

	1Q FYE Mar 2020		1Q FYE Mar 2021(Plan)		1Q FYE Mar 2021		YOY		VS Plan	
	(Apr.-Jun.2019)		(Apr.-Jun.2020)		(Apr.-Jun.2020)		change		change	
	(million yen)	% of Sales	(million yen)	% of Sales	(million yen)	% of Sales	(million yen)	(%)	(million yen)	(%)
Sales	514		609		657		143	27.8%	48	7.9%
Operating Income	9	1.8%	-163	-26.8%	-41	-6.2%	-50	-555.6%	122	-74.8%



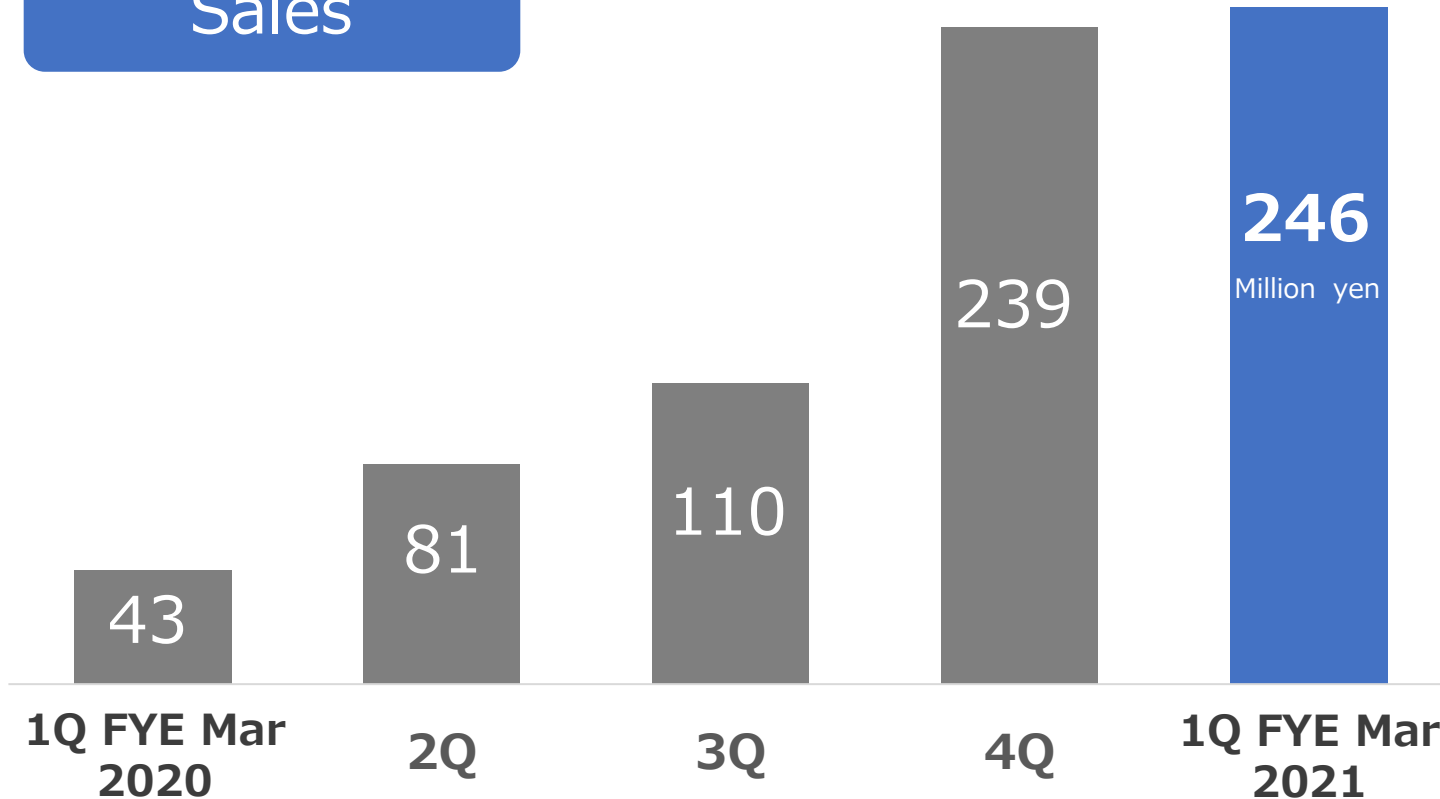
1Q FYE Mar 2021	
Overall summary	<ul style="list-style-type: none"> <li>Although sales increased significantly YoY, plan was not met as the impact of COVID-19 was larger than expected.</li> <li>More efforts were made to acquire deals with high potential of application. Marketing staff members were increased to boost the number of paid user companies and applications purchased, respectively.</li> </ul>
Cost and profit	<ul style="list-style-type: none"> <li>Costs associated with sales were reduced while maintaining necessary investment. Sales increased YoY and deficit was reduced, comparable to plan due to cost reduction.</li> </ul>

HR-Tech⇒ engage and related service

	1Q FYE Mar 2020		1Q FYE Mar 2021(Plan)		1Q FYE Mar 2021		YOY		VS Plan	
	(Apr.-Jun.2019)		(Apr.-Jun.2020)		(Apr.-Jun.2020)		change		change	
	(million yen)	% of Sales	(million yen)	% of Sales	(million yen)	% of Sales	(million yen)	(%)	(million yen)	(%)
Sales	43		344		246		203	472.1%	-98	-28.5%
Operating Income	-393	-914.0%	-312	-90.7%	-295	-119.9%	98	-	17	-

**engage**

Sales



YoY  
Sales  
**About 6 times**

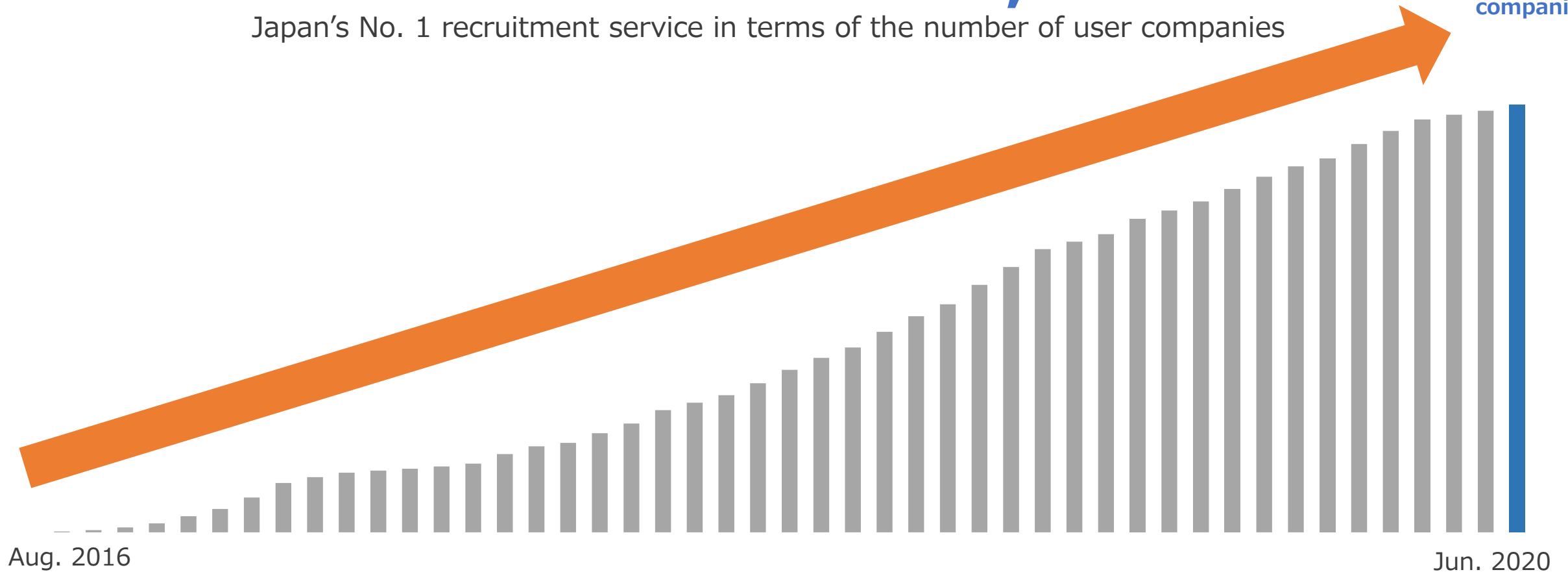
-28% vs. plan



**engage**

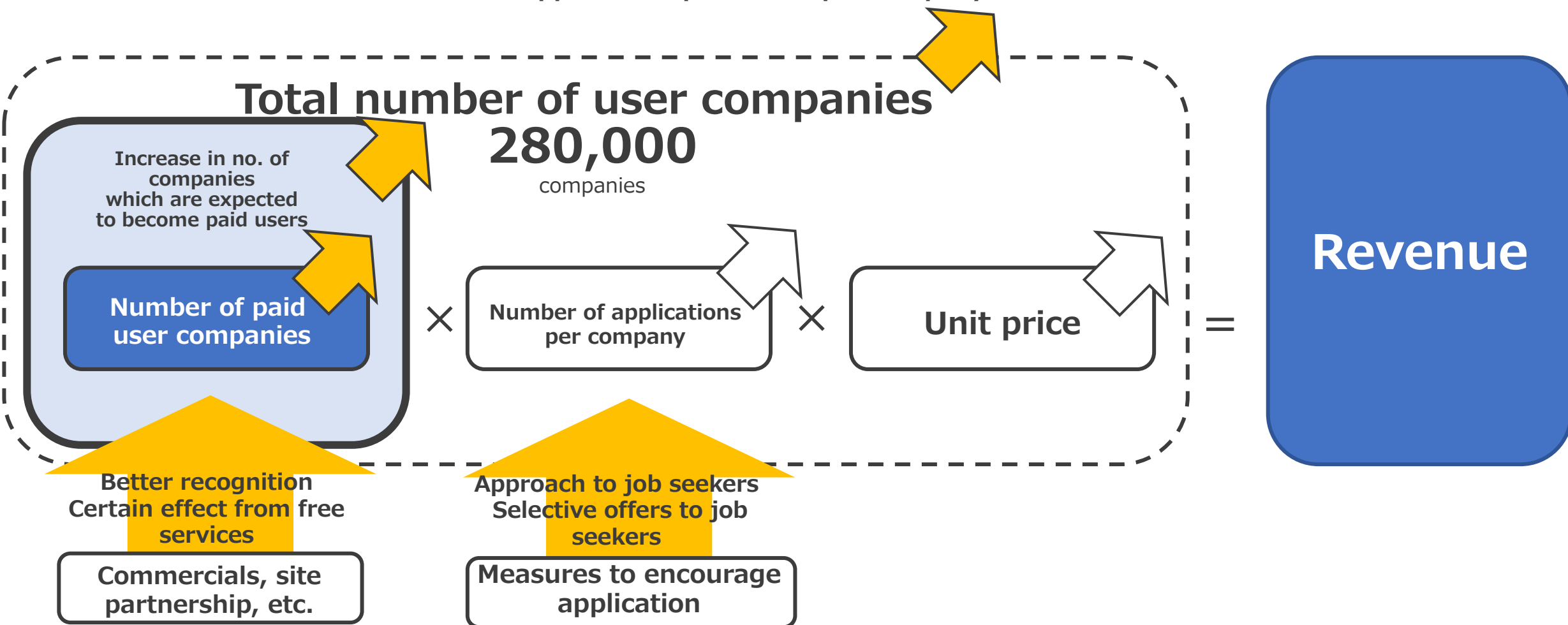
Total number of users exceeds **280,000** mark.  
Japan's No. 1 recruitment service in terms of the number of user companies

**287,000**  
companies



**engage**

Shift to increase number of paid user companies and applications  
Strengthen marketing to increase deals easily applied and the number of applications purchased per company.



# Investment Policy and results

\*Abbreviation for digital transformation

## Launch of DX<sup>\*</sup> business for SMEs

10 billion yen from M&A investment limit of 20 billion yen invested in DX area

### Market Expansion Business Growth



Provision of service



Investment and subsidiarization

Provision of new value to customers  
Enhancement of investment companies' corporate value



Set up a dedicated department

Proposal/  
Introduction

Promotion of  
utilizing human  
resource  
service

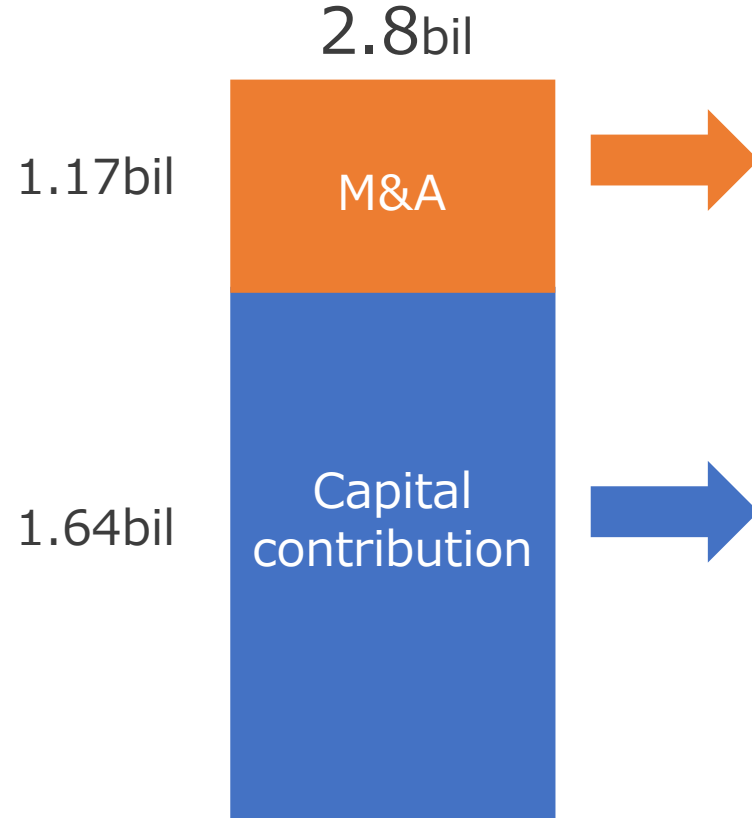
### Productivity Enhancement



April 2019 to June 2020  
results

Total M&A and investment was about **2.8** billion yen

As the first step in launching DX business and strengthening investment,  
an investment was made in ONLY STORY inc., a sales tech company.  
(June 2020)



- JapanWork, INC. (Recruitment business for foreigners which utilizes chatbot)
- VIET RESOURCES TRAINING COMPANY LIMITED  
(Online education business for adults)
- Brocante inc. (operates "FREELANCE START," one of the largest sites nationwide for IT freelancers with the listings provided by freelance agents)
- Hajimari, Inc. : former IT PRO PARTNERS, INC.  
(IT freelance and entrepreneur support business)
- **ONLY STORY inc. (Operates manager matching platform, etc.)**
- Domestic and foreign technology-related fund

etc. Total fifteen investment cases

\* "JapanWork" was acquired with cash and treasury stock.

\* "Brocante" was acquired with treasury stock.

**| 2Q FYE Mar/2021 Consolidated Plan**

**| Post COVID-19 en-japan Policy**

# 2Q FYE Mar/2021 consolidated Plan

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	2Q FYE Mar 2020 (July-Sep.2019)		2Q FYE Mar 2021 (Plan) (July-Sep.2020)		YOY change (million yen)	YOY change (%)	2Q cumulative FYE Mar 2020 (Apr.-Sep.2019)		2Q cumulative FYE Mar 2021 (Plan) (Apr.-Sep.2020)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales			(million yen)	% of Sales	(million yen)	% of Sales		
Net Sales	14,441	100.0%	9,261	100.0%	-5,180	-35.9%	28,204	100.0%	19,703	100.0%	-8,501	-30.1%
Cost of Sales	2,636	18.3%	2,107	22.8%	-529	-20.1%	5,178	18.4%	4,455	22.6%	-723	-14.0%
Personnel	1,694	11.7%	1,378	14.9%	-316	-18.7%	3,212	11.4%	2,789	14.2%	-423	-13.2%
Other	941	6.5%	729	7.9%	-212	-22.5%	1,965	7.0%	1,666	8.5%	-299	-15.2%
Gross Profit	11,805	81.7%	7,153	77.2%	-4,652	-39.4%	23,026	81.6%	15,247	77.4%	-7,779	-33.8%
SGA(Sales, general & administrative)	8,509	58.9%	6,409	69.2%	-2,100	-24.7%	16,825	59.7%	13,255	67.3%	-3,570	-21.2%
Personnel	3,520	24.4%	3,108	33.6%	-412	-11.7%	7,094	25.2%	6,515	33.1%	-579	-8.2%
Advertising, Sales Promotion	2,528	17.5%	1,296	14.0%	-1,232	-48.7%	4,923	17.5%	2,367	12.0%	-2,556	-51.9%
Other	2,460	17.0%	2,004	21.6%	-456	-18.5%	4,807	17.0%	4,373	22.2%	-434	-9.0%
Operating Income	3,295	22.8%	743	8.0%	-2,552	-77.5%	6,200	22.0%	1,992	10.1%	-4,208	-67.9%
Ordinary Income	3,305	22.9%	719	7.8%	-2,586	-78.2%	6,197	22.0%	1,956	9.9%	-4,241	-68.4%
Net Income attributable to en-japan	2,190	15.2%	399	4.3%	-1,791	-81.8%	4,108	14.6%	1,018	5.2%	-3,090	-75.2%

2Q (July-Sep.)  
Sales

(Yen)

14.44  
bil

2Q FYE Mar 2020

YoY  
-5.18bil  
-36%

Sales bottomed out in 2Q due to impact of  
success fee-type service<sup>\*1</sup> and overseas subsidiaries<sup>\*2</sup>

9.26  
bil2Q FYE Mar 2021  
(Plan)

Domestic Job Board	-3.87bil	YoY-47%
Domestic Permanent Recruitment	-0.88bil	YoY-29%
Overseas	-0.79bil	YoY-28%
HR-Tech	+0.25bil	YoY About 4 times
Others	+0.09bil	YoY+18%

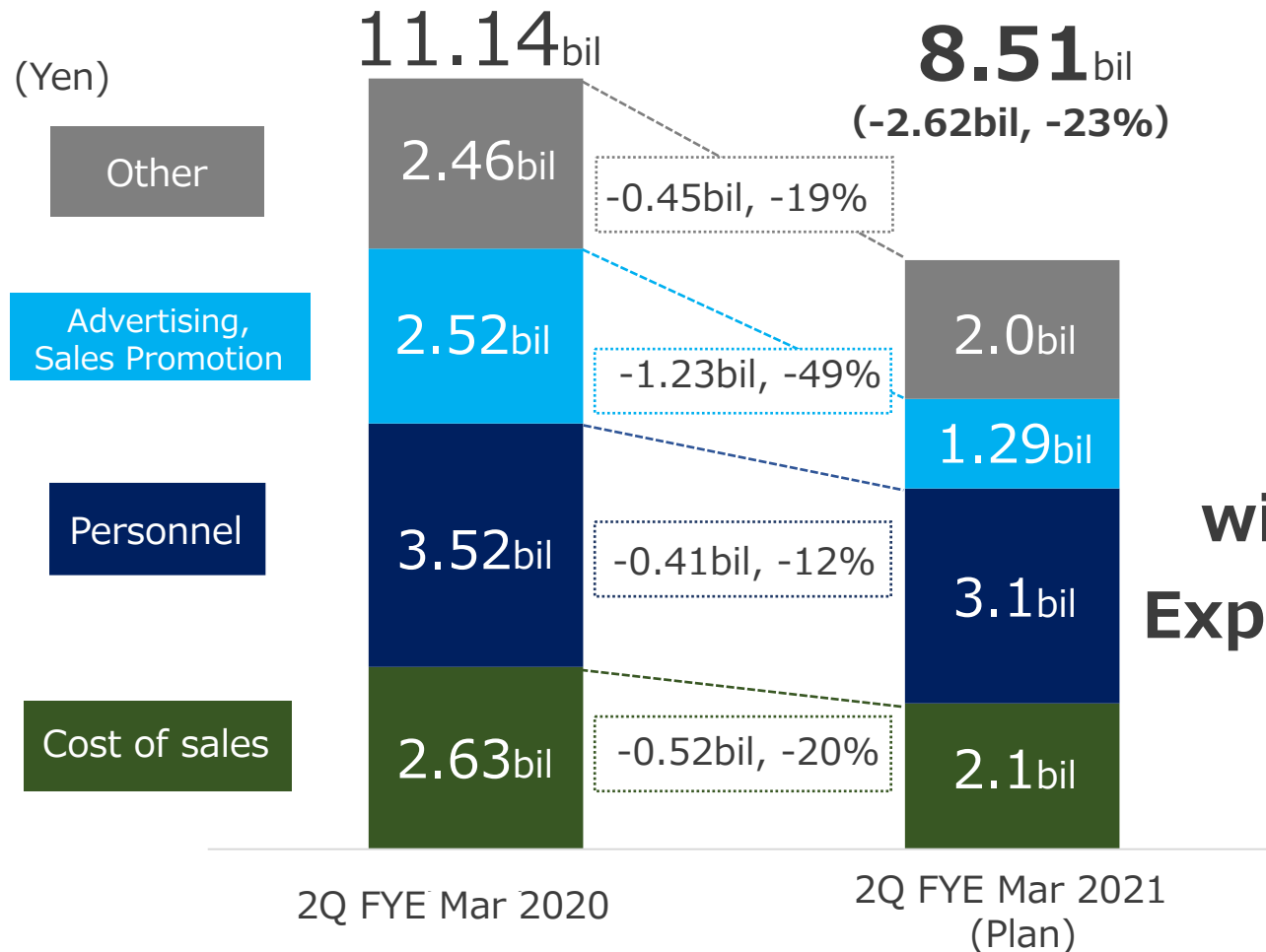
\*1: In success fee-type service, sales tend to be recorded with a delay of approx. two to four months following actual sales activities and conclusion of contract.

\*2: Performance includes a delay of three months due to accounting processes (April-June local figures are included in 2Q).



Segment	Service	Billing-model	Timing of sales recording
Domestic Job Board	[en]Career Change Info  Sites for Temporary staffing companies  Sites for Permanent Recruitment Agencies	Pay-per-listing billing type	When listing advertisement
		Success fee type	When joining company  (Sales are recorded at the time the candidate personnel joins the new company via en-japan service, i.e., a delay of approx. two to four months following sales activities and conclusion of contract)
Domestic Permanent Recruitment	en Agent en world Japan		
Overseas			Performance includes a delay of three months due to accounting processes.

## 2Q (July-Sep.) Expenses



**Variable cost other than advertising cost will be reduced on full-scale basis. Expenses to be more than YoY -20%**

en-japan commits not to return to pre-COVID-19 level by promoting DX.

## Major initiatives since April

- Digitizing various applications, approvals, bills, etc.
- Standardizing teleworking in respective divisions and setting up teleworking allowance
- Discontinuing covering the cost of a commuter pass; reimbursing actual expenses incurred
- Continuing online activities (marketing activities, correspondence to job seekers)
- Setting up an in-house recording studio for online communication inside and outside the company
- Reducing office area by approx. 40% (successively)



In-house recording studio

Improvement in efficiency and thorough review of cost

Return to Shareholders

No changes are made at this point; however, we may revise it as necessary, depending on the circumstances ahead.

(From materials released in May 2019)

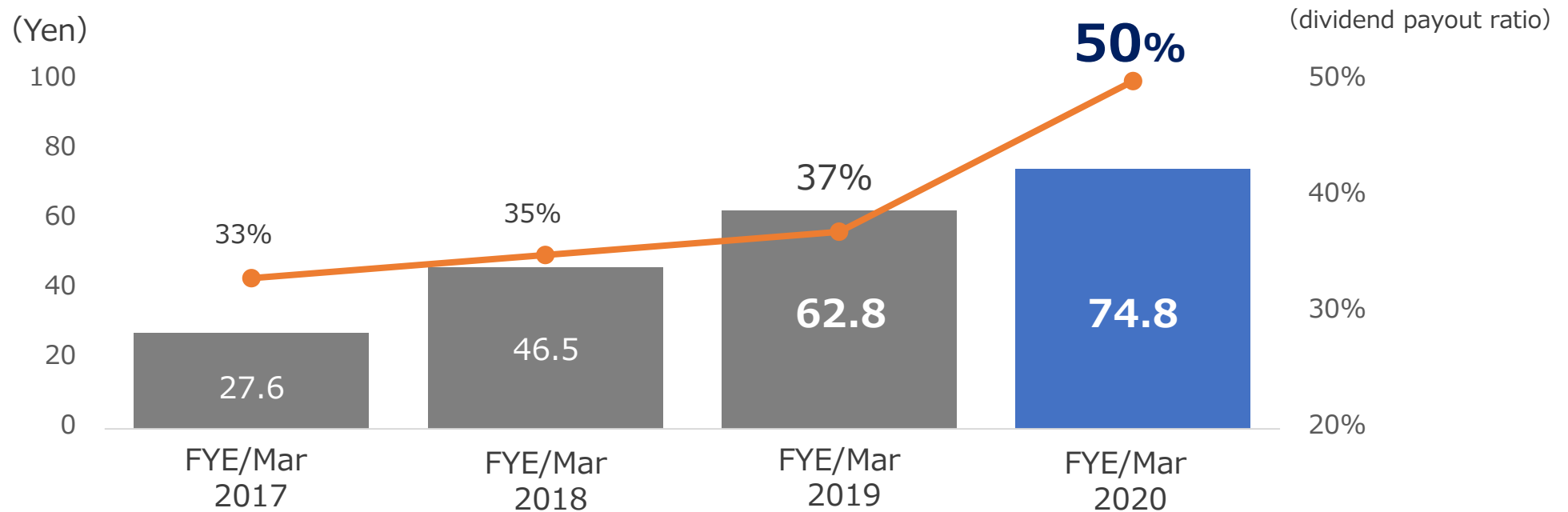
**From  
FYE Mar  
2020**

We will make efforts for investment and shareholder return in a manner conducive to raising shareholder value, while securing our financial soundness. Specific measures are as follows.

- **Dividend payout ratio: 50%**
- **During the term of the Medium-Term Management Plan, we will use a total of 20.0 billion yen for growth investments consisting mainly of M&A and capital contribution**
- **We will prioritize M&A and capital contribution and buy back our own shares during the term of the plan as required in consideration of investment circumstances (feasibility).**

\*We could potentially buy back our own shares flexibly depending on market developments.

FYE Mar/2020: **¥74.8** (YoY+¥12.0)  
Plan for FYE Mar/2021 is undecided at this moment  
(will be announced whenever the earnings forecast becomes available)



\* Dividend payout is based on the net income attributable to owners of the parent company.

\* The difference from the dividend payout described in the summary of financial results is attributed to the dividend related to J-ESOP. Specifically, dividend payout of the Company is calculated as follows: total dividend/net income attributable to the shareholders of parent company=dividend payout (%)

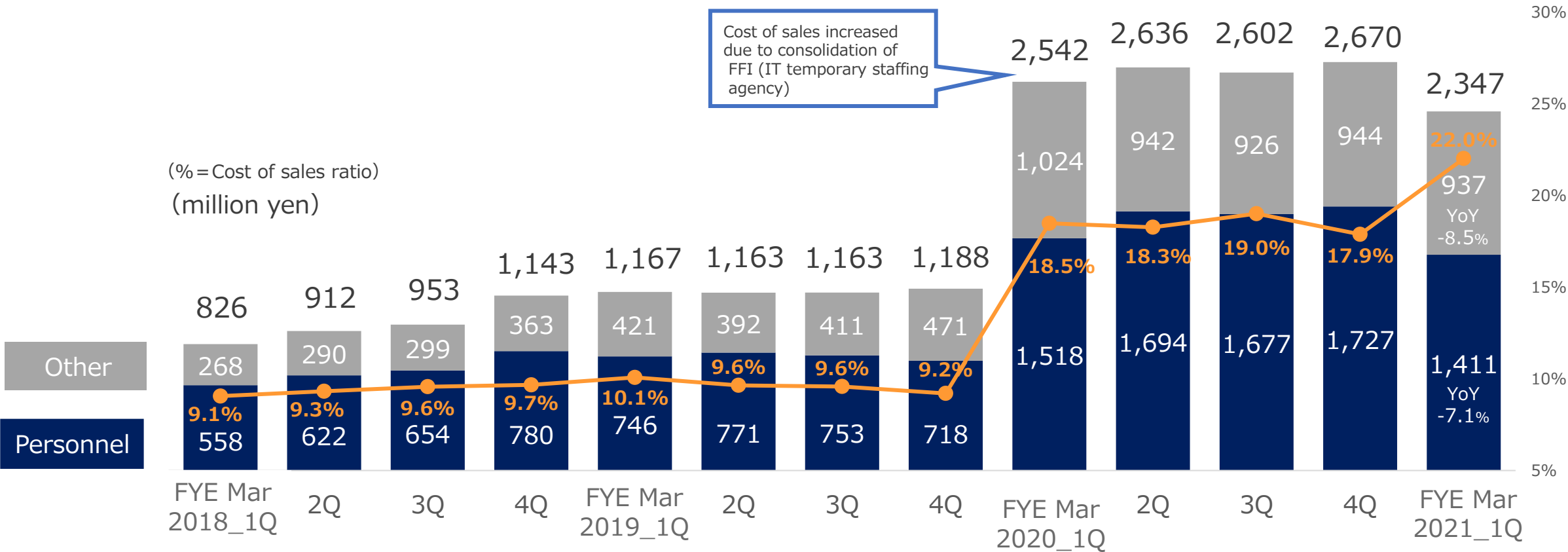
\* Assuming dividend payment for FYE Mar/2020 is approved by the general meeting of shareholders.

# Appendix

Cost of Sales

Cost of sales showed 7% decrease YoY in 1Q

Cost related to temporary staff of FFI, an IT temporary staffing agency in India, and outsourcing cost of advertising work relating to en-japan alone, etc. decreased.

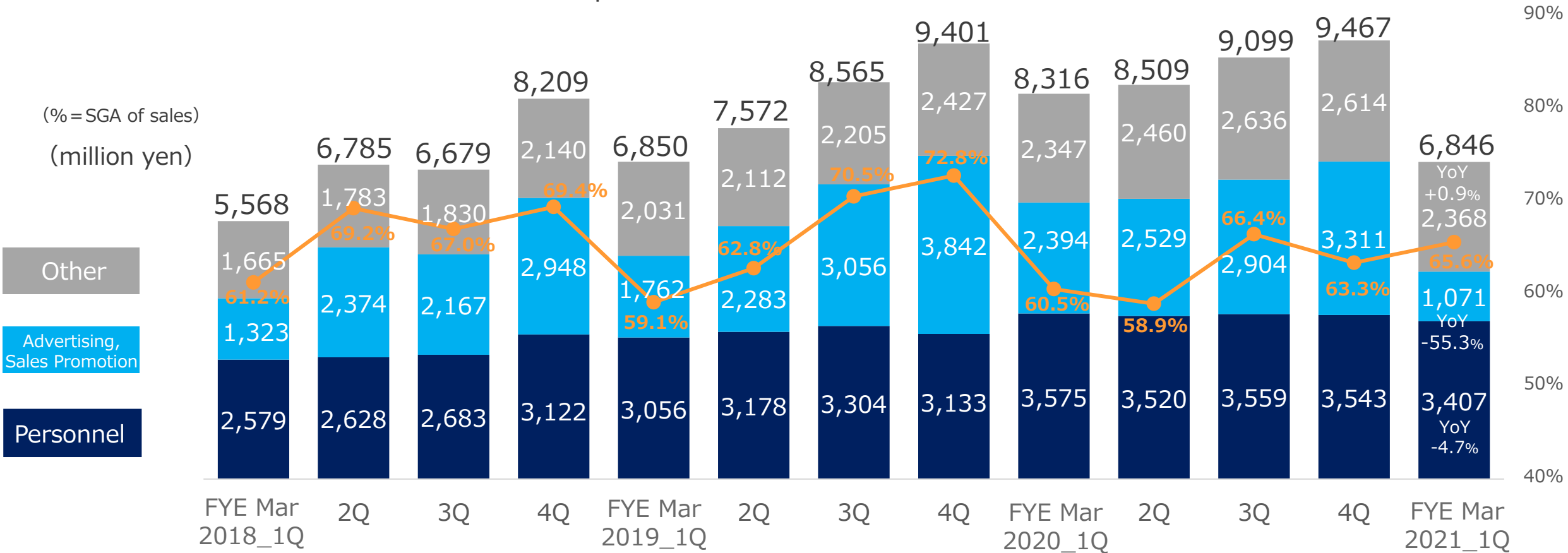




SGA Expenses

SGA expenses showed 17% decrease YoY in 1Q

Advertising cost was reduced by linking to sales.  
Other expenses were also reduced ahead of schedule.



# Reference: 2Q of FYE March 2021 plan by Segment

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(bil JPY)		2Q FYE Mar 2020 Actual (Apr. 2019–June, 2019)	2Q FYE Mar 2021 Plan (Apr. 2020–June, 2020)	YoY change	YoY change (%)
Domestic Job Board	Sales	8.17	4.30	-3.87	-47.4%
	Operating Income	3.19	1.38	-1.81	-56.7%
	OP margin	39.0%	32.1%	-	-
Domestic Permanent Recruitment	Sales	2.99	2.11	-0.88	-29.3%
	Operating Income	0.38	-0.09	-0.47	-123.8%
	OP margin	12.8%	-4.3%	-	-
Overseas	Sales	2.79	2.00	-0.79	-28.3%
	Operating Income	0.31	0.07	-0.24	-76.9%
	OP margin	11.0%	3.5%	-	-
HR-Tech	Sales	0.08	0.33	0.25	316.3%
	Operating Income	-0.36	-0.27	0.09	-
	OP margin	-450.0%	-81.1%	-	-
Other	Sales	0.52	0.61	0.09	17.3%
	Operating Income	0.01	-0.07	-0.08	-800.0%
	OP margin	1.9%	-11.5%	-	-
adjustment	Sales	-0.12	-0.10	0.02	-
	Operating Income	-0.24	-0.27	-0.03	-
consolidated	Sales	14.44	9.26	-5.18	-35.9%
	Operating Income	3.29	0.74	-2.55	-77.5%
	OP margin	22.8%	8.0%	-	-

(million yen)	FYE Mar 2020 (Mar. 2020)	FYE Mar 2021 Q1 (Jun. 2020)	YOY change	YOY change (%)
<b>Current asset</b>	<b>37,065</b>	<b>29,568</b>	-7,497	-20.2%
Cash	30,128	24,482	-5,646	-18.7%
Accounts receivable	5,733	3,667	-2,066	-36.0%
Other current assets	1,203	1,418	215	17.9%
<b>Non-current assets</b>	<b>14,830</b>	<b>14,906</b>	76	0.5%
Property, plant and equipment	1,021	1,052	31	3.0%
Intangible assets	7,712	7,426	-286	-3.7%
Investments and other assets	6,096	6,427	331	5.4%
<b>Assets</b>	<b>51,896</b>	<b>44,475</b>	-7,421	-14.3%
<b>Liabilities</b>	<b>13,247</b>	<b>10,262</b>	-2,985	-22.5%
Current liabilities	11,762	8,543	-3,219	-27.4%
Not current liabilities	1,485	1,719	234	15.8%
<b>Net assets</b>	<b>38,648</b>	<b>34,212</b>	-4,436	-11.5%
Capital	1,194	1,194	0	0.0%
capital reserves	1,133	923	-210	-18.5%
earned surplus	39,588	36,519	-3,069	-7.8%
treasury stock	-4,253	-5,252	-999	23.5%
Other net assets	983	825	-158	-16.1%
<b>Liabilities/Net assets</b>	<b>51,896</b>	<b>44,475</b>	-7,421	-14.3%

Equity ratio:75%

Cash keeps a high level of security even though YoY decreased due to payment of dividends and accruals

Mainly pay dividends

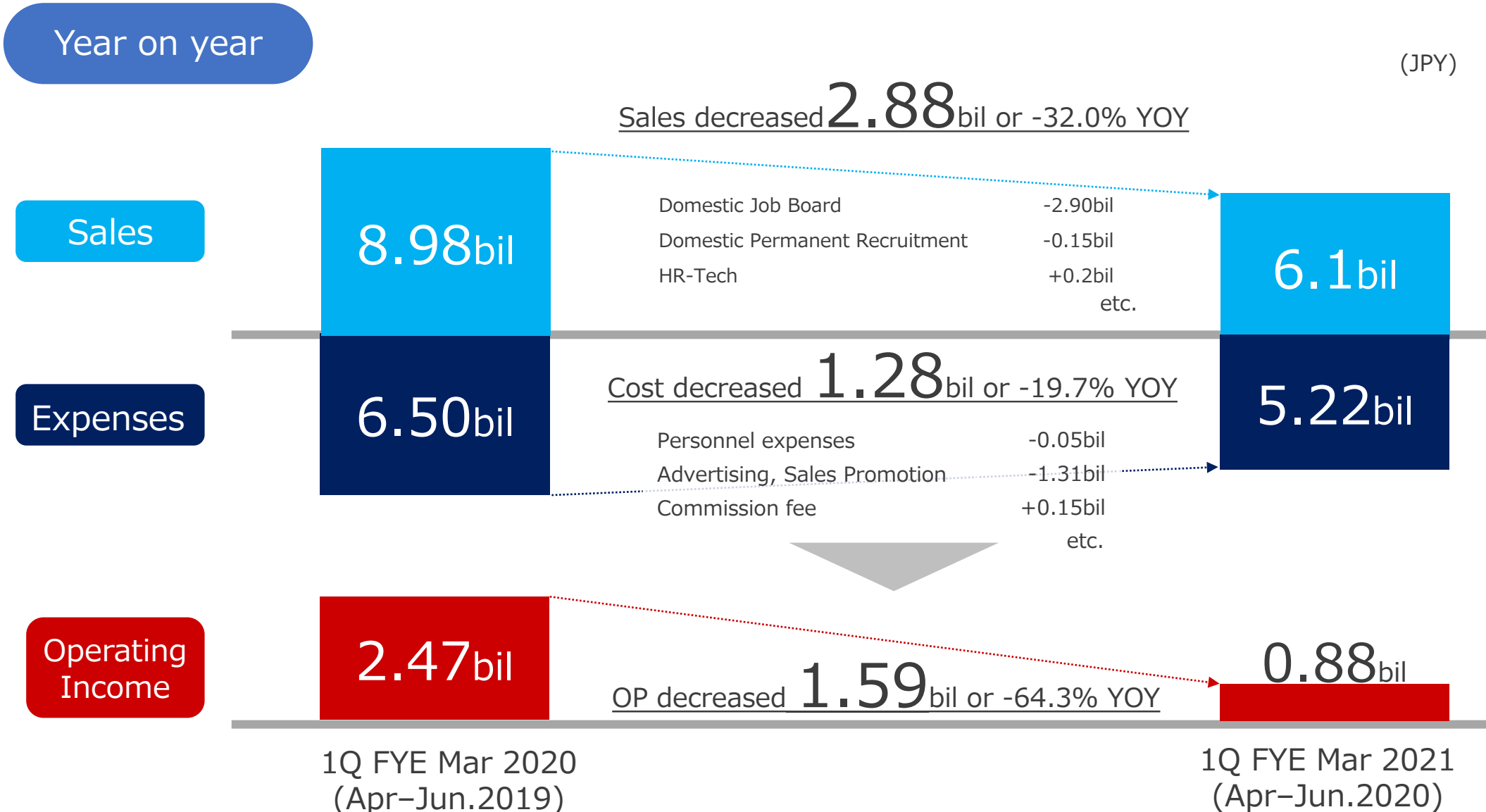
Treasury Share Repurchase  
Apr. 2020

Non-consolidated Income Statement  
for 1Q FYE Mar/2021

# [1Q FYE Mar/2021 Results] Non-consolidated Income Statement

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	1Q FYE Mar 2020 (Apr.–Jun.2019)		1Q FYE Mar 2021 (Apr.–Jun.2020)		YOY change (million yen)	YOY change (%)
	(million yen)	% of Sales	(million yen)	% of Sales		
<b>Net Sales</b>	<b>8,988</b>	100.0%	<b>6,108</b>	100.0%	-2,880	-32.0%
<b>Cost of Sales</b>	<b>704</b>	7.8%	<b>707</b>	11.6%	3	0.4%
Personnel	302	3.4%	252	4.1%	-50	-16.6%
Other	401	4.5%	454	7.4%	53	13.2%
<b>Gross Profit</b>	<b>8,283</b>	92.2%	<b>5,401</b>	88.4%	-2,882	-34.8%
<b>SGA(Sales, general &amp; administrative)</b>	<b>5,804</b>	64.6%	<b>4,517</b>	74.0%	-1,287	-22.2%
Personnel	1,855	20.6%	1,853	30.3%	-2	-0.1%
Advertising, Sales Promotion	2,385	26.5%	1,069	17.5%	-1,316	-55.2%
Other	1,563	17.4%	1,594	26.1%	31	2.0%
<b>Operating Income</b>	<b>2,478</b>	27.6%	<b>884</b>	14.5%	-1,594	-64.3%
<b>Ordinary Income</b>	<b>2,578</b>	28.7%	<b>725</b>	11.9%	-1,853	-71.9%
<b>Net Income</b>	<b>1,789</b>	19.9%	<b>232</b>	3.8%	-1,557	-87.0%



ESG

## Social Contribution Through Core Business

An industrial structure in which short-term earnings are contributed to more by non-retention of and repeated job changes by the newly employed is an issue and considered as not leading to sustainable business growth.



## Success After Joining

Service is provided by not setting employment and career change per se as a goal, but setting instead the goal of "giving people who join the company a fulfilled life" and "helping to enhance the company's performance." This is linked to differentiation factors for the company as its unique strength.

### [Main initiatives]



- 100% of job advertisements based on interviews
- Detailed and objective information, Staff name and photo



- Industry's first linkage between word-of-mouth sites and recruitment advertisements
- Functions to provide companies' comments regarding word-of-mouth

「en Lighthouse」

入社者の離職リスクが見える・対策がわかる



- Identifies employee retention risk at an early stage and conducts appropriate follow-up activities
- Acts as an employee retention tool to prevent workers from leaving jobs at an early stage etc,



## en-Japan's Recruitment Support Projects

We provide full recruitment support through our services to solve the issues related to human resources to achieve sustainable development of the country, local governments, and NGOs.



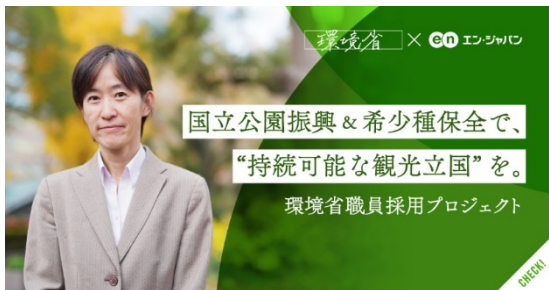
### Japan Heart ×

Medical care for impoverished countries. Open recruitment for 10 professions playing a major role in expanding the activities of NGOs.



### Ikoma City ×

A second job and remote working are allowed. We recruited 7 professionals who are transforming the city of Ikoma.



### Ministry of the Environment ×

Make Japan a “sustainable tourism nation” with the active use of national parks and conservation of rare species. Ministry of the Environment Staff Recruitment Project



### Shijonawate City ×

A former employee of the Ministry of Foreign Affairs is now the mayor at the age of 28. Recruitment of a female deputy mayor who supports the "youngest mayor in Japan."

## Promotion of Women's Participation and Advancement

Since our establishment, we have been promoting active hiring and advancement of female employees. They are actively involved in various areas.

\*Data is for en-japan on a non-consolidated basis  
As of Mar,2019

### Percentage of women to all employees

54.0%

### Percentage of women to all directors

2Person 40%



## Main Incentives and System

- Development of "WOMenLABO" project promoting women's participation and advancement
- Holding of social gatherings and luncheons to support employees taking childcare leave
- Satisfaction survey for female employees
- Smart Growth system (a system designed to prevent career stagnation and decrease in income by working on a short-time basis after returning from childcare leave), etc.

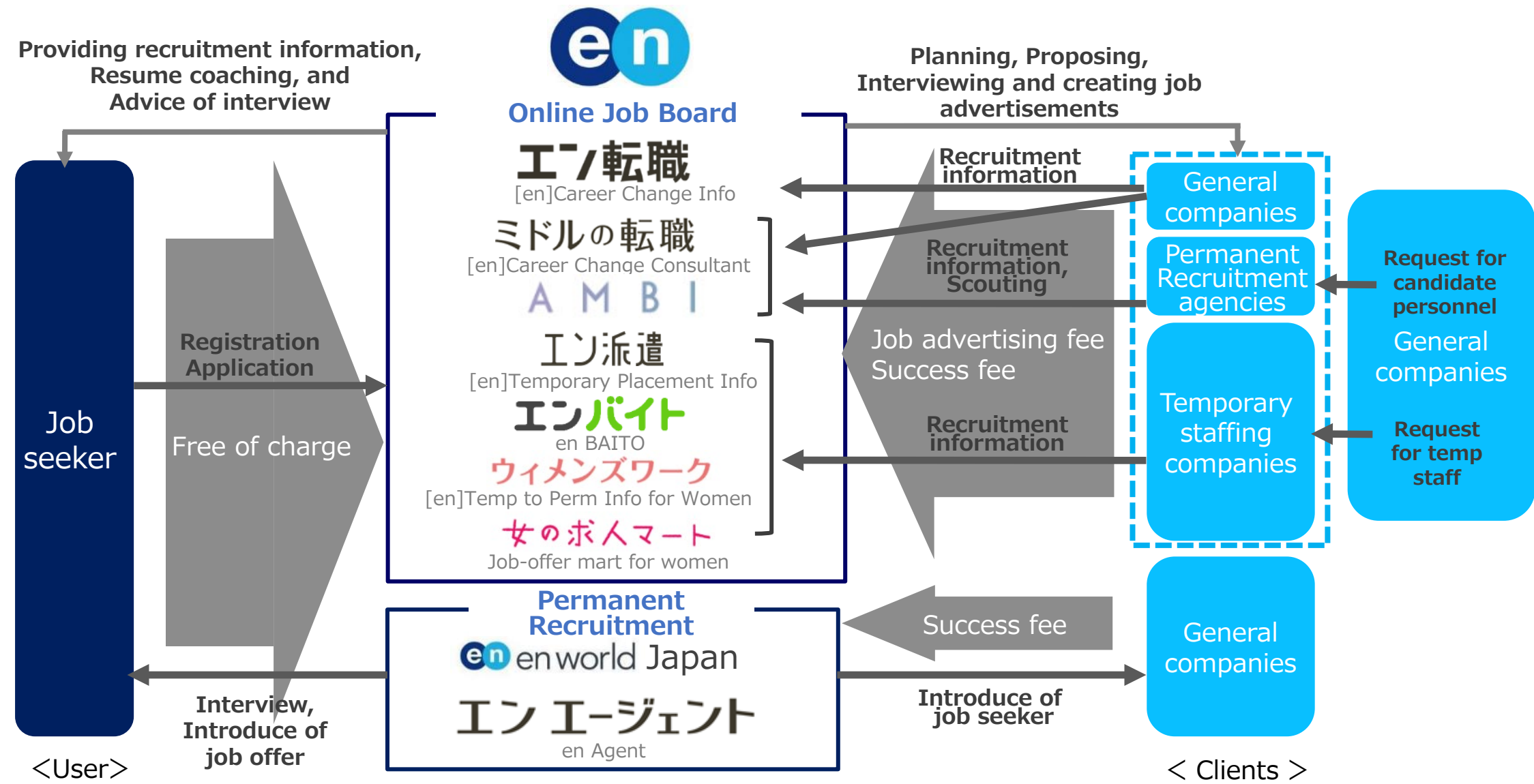
## Broaden the application of employee welfare

Apply the employee welfare system also to employees with a same-sex partner, broadening the application




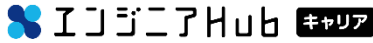



- Apply the employee welfare system, made available to employees in male-female marriage to date, also to employees in common-law marriage with a same-sex partner
- Wedding anniversary congratulatory money, congratulation or condolence leave, subsidy for unaccompanied posting and a grant of retirement benefit shares to bereaved families

# Company Overview



【 Company Name 】	en-japan Inc.
【 Establishment 】	January 14, 2000
【 Representatives 】	Michikatsu Ochi (Chairman) Takatsugu Suzuki (President)
【 Headquarters 】	Shinjuku I-land Tower, 6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo
【 Total Stockholder's Equity 】	JPY 1,194million (as of Jun. 2020)
【 Stock Listing 】	The First Section of the Tokyo Stock Exchange / (code : 4849)
【 Fiscal Year 】	April 1 – March 31
【 Number of Employees 】	Consolidated 3,566, Non-consolidated 1,747 (as of Jun. 2020)
【 Number of Outstanding Shares 】	49,716,000 (as of Jun. 2020)
【 Business Description 】	(1) Internet job recruitment service (2) Permanent recruitment service (3) Implementation of training, seminars (4) Consultation on recruitment , Aptitude test development





## <Job Board (Domestic) >

Service brand	Contents	Characteristics	Users	Clients	Company
[en]Career Change Info  <b>エヌ/転職</b>	Site for Comprehensive Career Change Info	<ul style="list-style-type: none"> <li>Companies which put their recruitment ads on the job board are carefully researched and taken pictures by en-japan.</li> <li>Honest and detailed recruitment information developed by en-japan from the perspective of job seekers.</li> </ul>	<ul style="list-style-type: none"> <li>Mainly 20s</li> </ul>	General Companies	en-japan
[en]Career Change Consultant  <b>ミドルの転職</b>	Collective site for Permanent Recruitment agencies	<ul style="list-style-type: none"> <li>Over 500 recruitment companies whose specialties are career change for job seekers in 30's and 40's, and job information are available</li> <li>Disclose consultants specialty areas, their achievements, together with evaluations by users</li> </ul>	<ul style="list-style-type: none"> <li>Mainly 30s to 40s</li> </ul>	Permanent Recruitment agencies, General Companies	
	Recruitment site specializing in high achievers in their 20s	<ul style="list-style-type: none"> <li>Mainly listing information for users in their 20s with yearly income of 5 million yen or more</li> <li>The site is designed to focus on headhunting from companies and job placement agencies</li> </ul>	<ul style="list-style-type: none"> <li>Mainly 20s</li> </ul>	Permanent Recruitment agencies, General Companies	
Engineers Hub Career  <b>エンジニアHub</b> <small>キャリア</small>	Recruitment site for web engineers	<ul style="list-style-type: none"> <li>Recruitment site using web media Engineer Hub and targeting young web engineers.</li> <li>Carefully selected people recruited from mega venture and startup companies that will lead to the growth of engineers.</li> </ul>	<ul style="list-style-type: none"> <li>Young engineers</li> </ul>	General Companies	
[en]Temporary Placement Info  <b>エヌ派遣</b>	Collective site for temporary staffing companies	<ul style="list-style-type: none"> <li>Temp agencies reputations and job information are available</li> <li>User friendly search function which does not require complicated user guide</li> </ul>	<ul style="list-style-type: none"> <li>Mainly Females in their 20s to mid-40s</li> </ul>	Temporary staffing companies	
en BAITO  <b>エンバイト</b>	Part-time job information site	<ul style="list-style-type: none"> <li>Part-time job information mostly owned by temporary staffing companies</li> <li>User friendly functions such as job-recommendation based on their search history</li> </ul>	<ul style="list-style-type: none"> <li>University students</li> <li>Graduates without jobs</li> <li>Housewives</li> <li>Permanent part-timers</li> </ul>	Temporary staffing companies	
[en]Temp to Perm Info for Women  <b>ウィメンズワーク</b>	Recruitment information site for females	<ul style="list-style-type: none"> <li>A recruitment information site for females wishing to work as full-time regular employees.</li> <li>The site lists only such openings for "full-time employees or possible upgrade to full-time employee".</li> <li>Offers a number of listings for office-work posts.</li> </ul>	<ul style="list-style-type: none"> <li>Mainly Females in their 20s to 30s</li> </ul>	Temporary staffing companies	



## <Permanent Recruitment (Domestic) >

Service brand	Contents	Characteristics	Clients	Company
	Permanent Recruitment	<ul style="list-style-type: none"> <li>• Clients are foreign companies with sales, service, production and other sites in Japan and Japanese companies with global operations</li> <li>• Handling Japanese-English bilingual middle management to executive level positions</li> </ul>	<ul style="list-style-type: none"> <li>• Foreign companies</li> <li>• Japanese companies</li> </ul>	en world Japan
en Agent 	Permanent Recruitment	<ul style="list-style-type: none"> <li>• Job search services that leverage en Japan's job-seeker database and the track record of its past business transactions with corporate clients</li> </ul>	<ul style="list-style-type: none"> <li>• Japanese companies</li> </ul>	en-japan


## <Overseas ①>

Service brand	country	Contents	Characteristics	Clients	Company
	india	Permanent Recruitment	<ul style="list-style-type: none"> <li>• Clients are local business companies and global business companies operating in India.</li> <li>• Mainly places high income-earning zone. Particularly strong in IT field.</li> </ul>	<ul style="list-style-type: none"> <li>• Local Companies</li> <li>• Global Companies</li> </ul>	NEWERA INDIA
		Temporary staffing (IT areas)	<ul style="list-style-type: none"> <li>• Has 20 years of experience in IT dispatching and has many leading IT companies as clients</li> <li>• Focus on investment and education in advanced technologies such as AI and IoT</li> </ul>	<ul style="list-style-type: none"> <li>• Local Companies</li> <li>• Global Companies</li> </ul>	Future Focus Infotech
	Vietnam	Permanent Recruitment	<ul style="list-style-type: none"> <li>• No. 1 service in Vietnam.</li> <li>• Engages in placing management-level individuals in local and global business companies.</li> <li>Enhancing Japanese companies in Vietnam.</li> </ul>	<ul style="list-style-type: none"> <li>• Local Companies</li> <li>• Global Companies</li> <li>• Japanese companies</li> </ul>	Navigos group Joint Stock Company
		Job board	<ul style="list-style-type: none"> <li>• No. 1 recruiting website in Vietnam.</li> <li>• Clients are local individuals and local and global business companies.</li> <li>Enhancing Japanese companies in Vietnam.</li> </ul>	<ul style="list-style-type: none"> <li>• Local Companies</li> <li>• Global Companies</li> <li>• Japanese Companies</li> </ul>	

## <Overseas ②>









Service brand	country	Contents	Characteristics	Clients	Company
	China	Job board	<ul style="list-style-type: none"> <li>Established in 2004. Strong in construction and real estate areas</li> <li>In recent years, areas other than construction and real estate have been strengthened.</li> </ul>	<ul style="list-style-type: none"> <li>Local Companies</li> <li>Global Companies</li> </ul>	Talent Alliance (Beijing) Technology Development Limited
	Thailand	Permanent Recruitment	<ul style="list-style-type: none"> <li>Offers job search services under the TOP TALENT ASIA brand.</li> <li>Mainly places management-level individuals. Strong in high income-earning zone.</li> </ul>	<ul style="list-style-type: none"> <li>Local Companies</li> <li>Global Companies</li> </ul>	en world Thailand

## <HR-Tech>



Service brand	Contents	Characteristics	Clients	Company
	Digital platform aimed at having workers play active roles after being hired, joining companies	<ul style="list-style-type: none"> <li>A freemium-model recruitment support tool</li> <li>Can create high-quality corporate recruitment websites and job listings easily and quickly</li> <li>Job offers created are automatically linked to Indeed, Google job search and such like</li> <li>Use of the fee-based plan allows access to a greater number of job-seeker applications and stronger recruitment support</li> <li>Aptitude tests, retention tools and other related services are also available on engage</li> </ul>	General Companies	en-japan

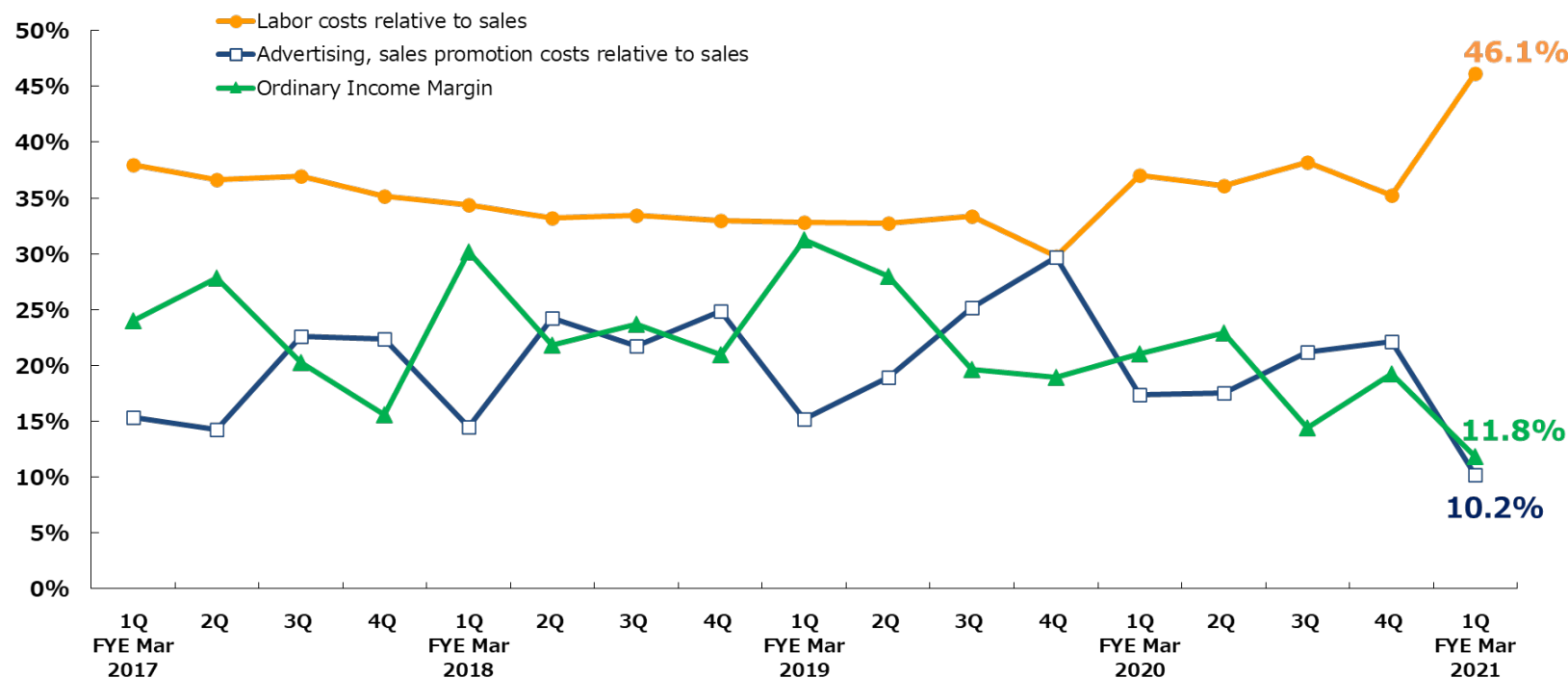


## <Domestic Other Business / Subsidiary>

	Contents	Characteristics	Clients	Company
  	Provision of various services to help employees play active roles and keep working for the company	<ul style="list-style-type: none"> <li>Development and sale of aptitude tests</li> <li>Operation of en-college training services</li> <li>Development and sale of retention tool “HR OnBoard”</li> <li>Establishment of personnel assessment system, etc.</li> </ul>	General Companies Temporary staffing companies	en-japan
iroots	Scout site for new graduates	<ul style="list-style-type: none"> <li>Recruitment scouting site for new graduates</li> <li>A service that enables companies to directly scout new graduates based on personal profiles and aptitude diagnosis</li> </ul>	General Companies	en-japan
 ZEKU 株式会社ゼクウ	Hiring management system Operation management system	<ul style="list-style-type: none"> <li>Uniform management of various data and functions, e.g. hiring information, interviewers, response to applications, and effectiveness measurement.</li> <li>Uniform management of hired staff and job listings.</li> </ul>	Temporary staffing companies General Companies	Zeku
OWLS	Design and development of web site and application	<ul style="list-style-type: none"> <li>Company in the UI/UX growth contracting business.</li> <li>Not only site design but also design and consulting for the purpose of users using the site.</li> </ul>	General Companies	OWLS
 i-tank	Internship information sites for university students	<ul style="list-style-type: none"> <li>Targeting university students who look for “paid internship jobs that can foster their abilities,” rather than seeking those jobs purely for money</li> <li>The pioneer site for internship jobs which is the best in the country in terms of both performance and the number of jobs</li> </ul>	General Companies	i-tank japan
 JapanWork	Recruitment business for foreigners	<ul style="list-style-type: none"> <li>Undertakes correspondence between foreign job seekers in Japan and hiring firms using chat</li> <li>Resolves the inconvenience of job seekers, such as job listings being available only in Japanese language and difficulty in communication on the phone</li> <li>Resolves issues faced by hiring firms, such as job applicant not showing up for an interview due to a lack of communication</li> </ul>	General Companies	Japan Work
 pasture	Freelance management service	<ul style="list-style-type: none"> <li>A cloud service that enables uniform management of orders placed with freelancers, progress and billing</li> <li>Orders received and placed are all digitalized. Also offers linkage with other web-based services, including CRM and accounting software.</li> </ul>	General Companies	en-japan
 FREELANCE START	Job search engine site for freelance engineers	<ul style="list-style-type: none"> <li>One of the largest freelance job search engine sites in Japan</li> <li>Allows users to collectively search and apply by compiling listings by freelance agents</li> </ul>	Freelance agents	Brocante

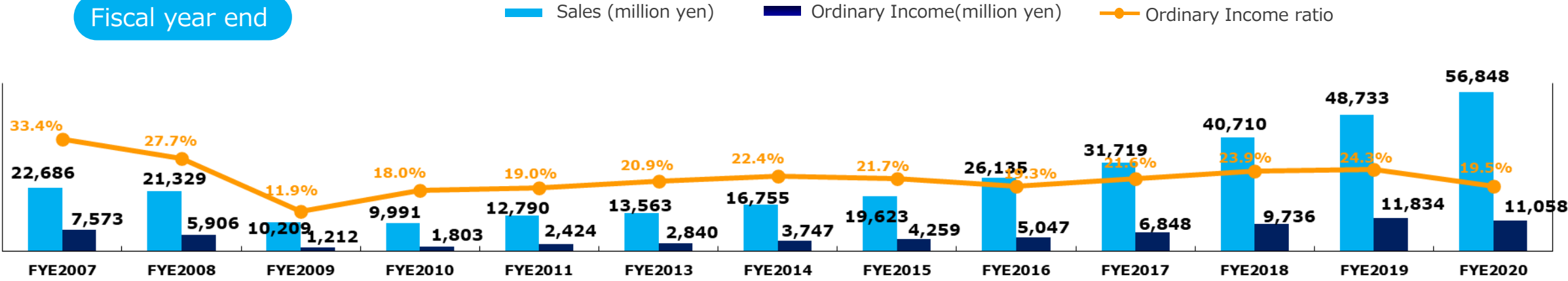
<Other New Business \*Unconsolidated subsidiary >

	Contents	Characteristics	Clients	Company
	Marketing research Data analysis using AI	<ul style="list-style-type: none"> <li>Creates a database of and analyzes complaints acquired from consumers and sells the database/analysis as a product that contributes to product development to companies.</li> <li>Analyzes data owned by companies using sophisticated data analysis technologies. Provides issue-solving solutions.</li> </ul>	General Companies	Insight Tech
en- KONKATSU-Agent  エン婚活 エージェント	Online service to support those looking for a marriage partner	<ul style="list-style-type: none"> <li>Service to support people looking for a husband or wife with the new concept of seeking happiness after marriage</li> </ul>	General users	en KONKATSU AGENT



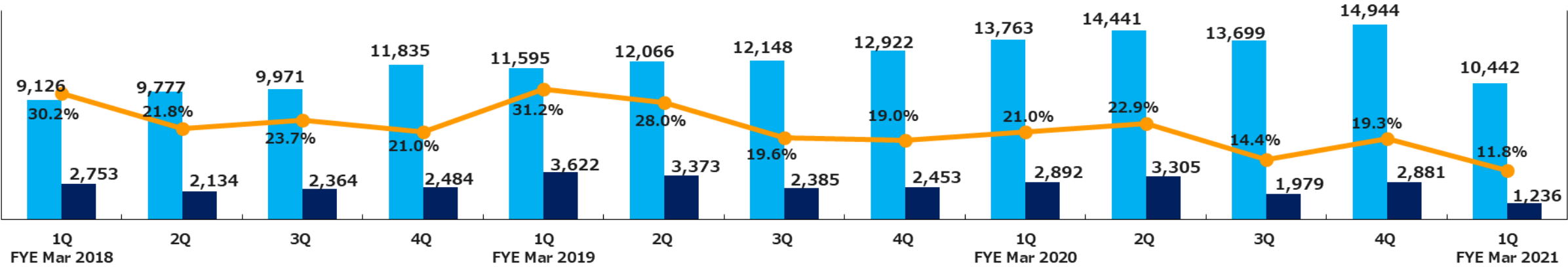
	1Q FYE Mar 2018	2Q	3Q	4Q	1Q FYE Mar 2019	2Q	3Q	4Q	1Q FYE Mar 2020	2Q	3Q	4Q	1Q FYE Mar 2021
Ordinary Income (million yen)	2,753	2,134	2,364	2,484	3,622	3,373	2,385	2,453	2,892	3,305	1,979	2,881	1,236
% of sales	30.2%	21.8%	23.7%	21.0%	31.2%	28.0%	19.6%	19.0%	21.0%	22.9%	14.4%	19.3%	11.8%
Labor costs (million yen)	3,137	3,250	3,336	3,901	3,803	3,947	4,056	3,849	5,092	5,214	5,235	5,268	4,817
% of sales	34.4%	33.2%	33.5%	33.0%	32.8%	32.7%	33.4%	29.8%	37.0%	36.1%	38.2%	35.3%	46.1%
Ad, sales promotion costs (million yen)	1,323	2,373	2,166	2,947	1,762	2,282	3,056	3,841	2,394	2,528	2,904	3,310	1,070
% of sales	14.5%	24.3%	21.7%	24.9%	15.2%	18.9%	25.2%	29.7%	17.4%	17.5%	21.2%	22.1%	10.2%

## Fiscal year end



\*FY2011 converted 15 months to 12 months due to the change of accounting period (Change from December to March)

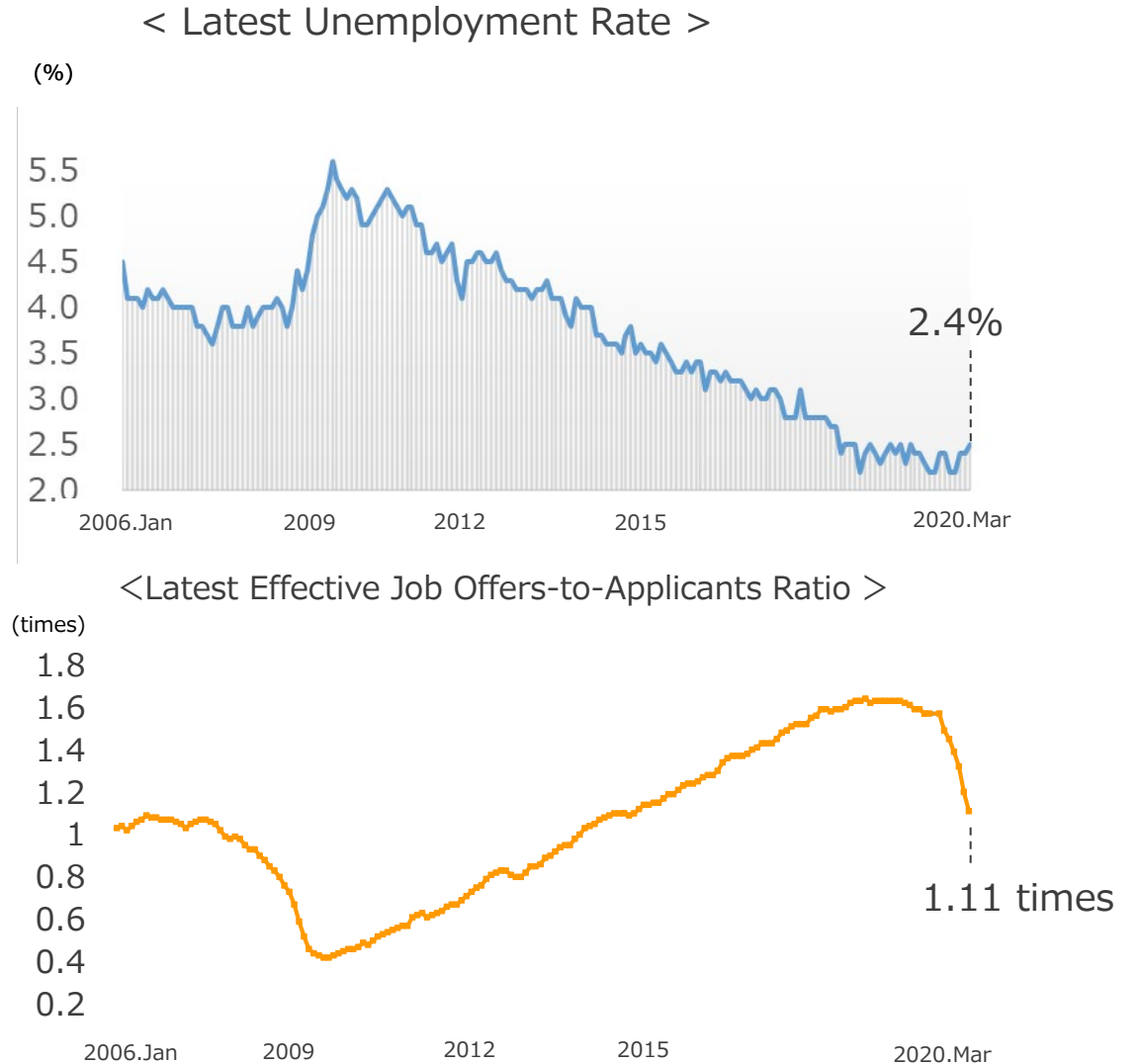
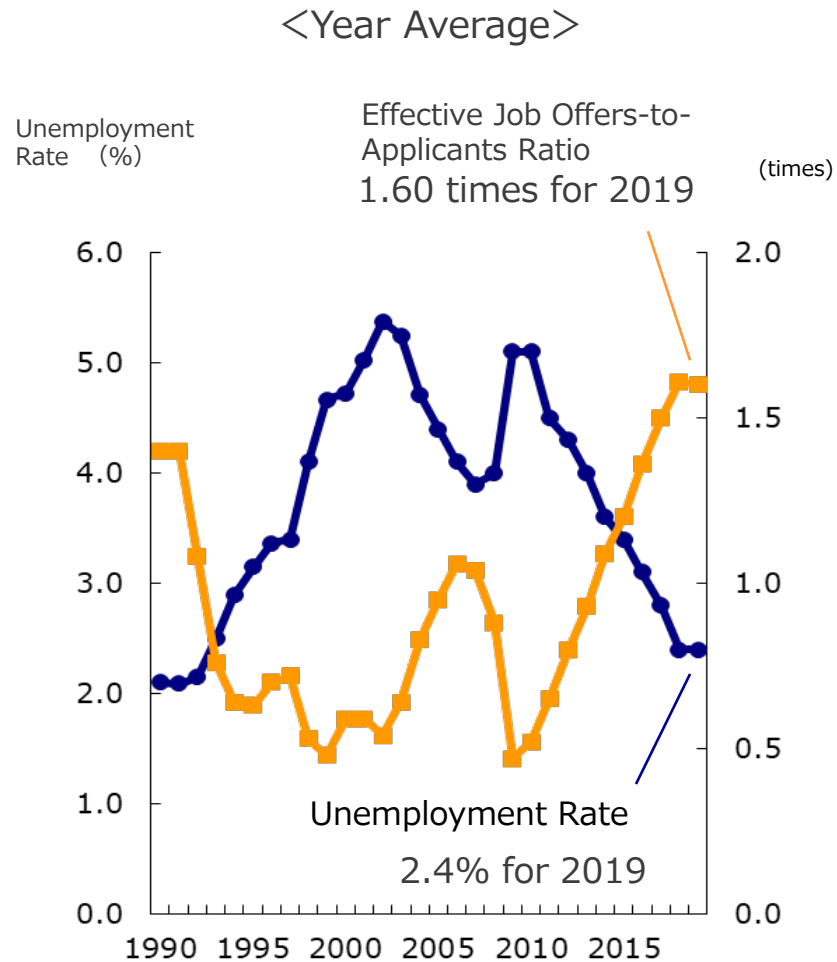
## Quarter



# The market environment

## – Trends in Unemployment Rate & Effective Job Offers-to-Applicants Ratio

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Source : Ministry of Health, Labor and Welfare ,  
the Statistics Bureau, Ministry of Internal Affairs and Communications



■ en-japan inc. Corporate Planning Department IR Group

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